

Institute of Imagination

Charity Registration No. 1109276

Company Registration No. 04921852

Annual Trustees' report and financial statements

For the year ended 31 December 2020

Institute of Imagination

Annual report and financial statements For the year ended 31 December 2020

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Institute of Imagination

Legal and administrative information

Trustees

Lady A Shaw-Scott Adjaye
B J Demeroutis
M Dorion
K Grussing
Dr L Guyton
B Koby
R Lewis (resigned 28 February 2021)
C Metcalfe
M Reilly
D Uehlein
N Viner (resigned 11 March 2020)
L Watson

Management and Leadership

G Binns (resigned CEO 31 January 2021)
M Allen (appointed CEO 26 July 2021)
T Doust (appointed Co-Director 31 January 2021)
S Dittmer (appointed Co-Director 31 January 2021)

Charity number

1109276

Company number

04921852

Registered and Principal address

F1 Expressway
Dock Road
London
E16 1AH

Bankers

Coutts & Co
440 Strand
London
WC2R 0QS

Auditor

Peters Elworthy & Moore
Salisbury House
Station Road
Cambridge
CB1 2LA

Institute of Imagination

Trustees' responsibilities statement

Trustees' Report

The Institute of Imagination (iOi) is a charity delivering pioneering, accessible, programmes that support the educational, cultural and creative wellbeing of children and families. Through imagination, we focus on the vital development of problem solving, play, and skill drawing on key innovations from science, technology, the arts, maths, and engineering.

In a year dominated by the aftershocks of the Covid-19 pandemic, we grew the depth and breadth of our impact at a time when charitable organisations have been under threat and yet are most needed. We did this by adapting every aspect of our operation, people, programmes, and platforms. Our organisational agility supported both reinforcement of our current work, where there was dramatically increased urgent need, and new critical programmes delivered in new hybrid ways. This was made possible by accelerating digitally delivered programmes and giving birth to new initiatives, creating new physical products, and creatively offering our in-person work in line with our impact targets.

We launched new on-line programmes under the umbrella of iOi at Home. We created new products like the Imagination Box for children with Special Educational Needs and Disabilities (SEND). Organisationally, our planned-for office move to the London borough of Newham showed how quickly we can embed ourselves in a community and how we can then purposefully deliver a variety of creative learning programmes and activities to communities that are most in need.

This has only been possible thanks to the exceptional support of our donors, funders, partners, and patrons as well as our passionate and energetic team who live and breathe our mission. For this, we are incredibly grateful.

In addition to delivering our critical programs, in 2020 we underwent an in-depth strategic review, the results of which have supported an important and exciting five-year plan to build an even more compelling proposition for communities in London that are most in need of our support, whilst continuing to grow our programmes with national and international reach.

Our five year plan is built around five key goals:

1. Developing outstanding programmes to empower children and young people with vital skills while supporting their wellbeing and ability to flourish.
2. Delivering at scale and opening a new space in London devoted to Imagination.
3. Using our influence to lead on the relationship between imagination and creativity in society, championing their value and importance in the cultural and education sectors.
4. Renewing and scaling our organisation to ensure that we can achieve our ambitions while retaining our agility.
5. Building out financial sustainability by developing existing income streams and building new ones.

2020 Highlights

iOi programmes have in the past mostly centred on creating experiential spaces with thousands of children and families attending in person each year. Our task in 2020 was to turn the challenges created by Covid-19 into opportunities for the organisation, prioritising solutions to deliver our programmes digitally. Much was tried, tested, and learned, and through our analytic and failure-positive organisational approach, our digital programme pilot developed into a new project called "iOi at Home".

iOi at Home

When the world went into lockdown in 2020 and schools closed for in-person learning, it was the largest disruption to education in history. The United Nations estimates that nearly 1.6 billion global learners in more than 190 countries were affected. Across the UK and across the world, home learning became the new normal. This disruption brought on technological and social challenges for children. Among these, those without access to technology could not complete their lessons from home. And without connectivity to the outside world, opportunities to socialise, play, and be creative were closed off. In response to this crisis, we launched iOi at Home.

In the absence of live programmes, iOi at Home became our flagship programme of creativity, designed to support continuous learning beyond the formal school environment and offering dynamic creative programmes online. Our

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pilot programme guided children through, for example, basic aerodynamics and how to experiment with a wind tunnel made with a hairdryer and cardboard. This was achieved through online video tutorials, bespoke digital assets developed in partnership with schools and educators, and where appropriate, supply of physical assets to children and their families. As well as providing a 100% virtual experience, delivery of iOi at Home activities was via physical “hubs”: local organisations including library services, food banks, and schools were all used. The iOi at Home pilot focused on serving the community of Newham and we plan on expanding the programme in future. This expansion will draw from the learnings of where the programmes has been both successful and unsuccessful. Some of the challenges of managing and lending digital equipment have made it onerous for the iOi to become a repository of digital lending. This has led to a change in strategy where we support the iOi at Home Hubs in providing equipment to them to distribute and loan.

Digital Lending Library

The pandemic highlighted the severity of the digital divide, with evidence suggesting that the attainment gap is severely wider for children from families where technological access is limited. So we created a Digital Lending Library to accompany the iOi at Home programme, ensuring that any barrier to accessing technology (and using iOi at Home) could be overcome for households in need. Through the Digital Lending Library, our iOi at Home families were provided with essential technology like tablets and laptops, as well as specialist creative tech to support activities like 3D design and computational invention and robotics. In this programme, libraries and community hubs also proved invaluable partners in the lending of equipment and audience development.

Imagination Hubs

2020 was our second year of a three-year programme offering creative events for schools and families with Special Educational Needs and Disabilities (SEND) children in Brent, Barnet, and Harrow. Adjusting this programme in the middle of the pandemic proved challenging but ultimately successful. After consultation with parents and community partners, we realised that we needed to create a way of connecting our physical materials for play, making and imagination with our digital delivery of our offer. This resulted in the creation of the prototype for what was to become The Imagination Box; packages containing materials and instructions for creative activities which were distributed to 300 families. These simulated the activity that children would have learned in a live environment, but with the added flexibility for them to engage at their leisure, a consideration that is so important for many SEND learners.

The Imagination Box

Born out of the success of our Imagination Hubs programme we were able to take The Imagination Box, to its next step. Designed to primarily engage SEND learners and boost their creativity, resilience, and wellbeing, our 2020 pilot reached 600 families, 100 more than we have anticipated, and was a huge success with 100% of participants stating the Imagination Box was an effective and engaging tool for supporting their children.

We have since evolved the Imagination Box offer and expanded the programme to more families in 2021. We are seeking opportunities to generate greater impact, reach, and potentially income from this and further innovative products.

Lambeth Sparks

Lambeth Sparks, our creative digital programme for low-income families and their children in Lambeth, was adapted for online delivery and continued into its second year. Some 108 children from Vauxhall, Loughborough Junction, and Streatham Hill signed up for creative workshops and aspirational live interviews with leaders from creative companies like Innocent Smoothies and Aardman Animation. These special conversations were then connected to workshop activities such as brand marketing and stop-frame animation.

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Digital Creatives in partnership with OnSide Future Youth Zone

In January 2020, we launched Digital Creatives, a new three-year programme for young people in Barking and Dagenham in partnership with OnSide Future Youth Zone, a state-of-the-art youth centre providing after-school and weekend activities for children and young people aged 7 to 21. Digital Creatives is designed to equip young people who are at higher risk of entering the criminal justice system with new creative and digital skills and to support them in applying these skills to real world creative challenges.

Imagination Lab Learn Hubs

Our Imagination Lab Learn Hubs were supposed to provide a physical incubation space for teachers and pupils to collectively engage in creative programmes that they could then continue at school, integrating projects and pedagogy into teaching practice. School closures meant that after our first in-person Lab Learn Hub, we pivoted to online with teachers from schools in Southwark who, over two twilight insets, were taught how to integrate micro:bit microcomputing into their practice alongside creative approaches to projects. In total, we were only able to deliver two Lab Learn Hubs, the first took place before the pandemic in October 2019. The second, mentioned above, was virtual. As the UK went in and out of lockdowns, the logistics of engaging schools to come together for a large event or to join virtually became a challenge. As a result we weren't able to complete the final two Lab Learn Hubs, despite planning for them. We reached 180 children and 25 teachers in our first in person Lab Learn Hub and 14 teachers (and those teacher's classes) in the second virtual Lab Learn Hub. This meant we fell short of the overall target of 720 children and 80 teachers.

RE:CODE London

Our flagship partnership programme with LEGO Group ran across three London schools as a "Virtual RE:CODE". Robotics kits and iPads were sent to the schools ahead of workshops, and we broadcast content into classrooms. The success of this partnership means we are now in a position to amplify our reach of the RE:CODE programme with LEGO in 2021.

Join the Docks Cultural Commission

In December, the iOi was commissioned by The Royal Docks to create an interactive external project that could engage safely with local audiences across the Docks and more widely across Newham. Working with industrial designers Concept Shed, *Switch the Docks* captured the stories from Newham residents who were asked to imagine the Docks in the past, the present and the future. The month-long installation featured four wooden crate light boxes that told these stories in an animated composition. The light boxes have been so successful that they have remained in the Docks since installation and evolving into new installations in October 2021.

Commercial Programmes (facilitated by iOi Enterprise)

Following the successful pilot of our international digital making programme in partnership with the British Council, which took place in Hong Kong in autumn 2019, we launched a major expansion of the work. Building and strengthening our relationship with the British Council and in partnership with the Micro:bit Education Foundation, our team worked in India (Delhi), Africa (Malawi and Tanzania) and Europe (Spain) to engage with teachers and educators on how to use the micro:bit computer in creative and imaginative ways, strengthening opportunities for engagement with children and young people in coding and creativity.

Key Statistics for the Year

We had aspired to work with more than 20,000 people in 2020. Despite the challenges brought on by the pandemic, the iOi worked with just under 10,000 people across its programmes, both digitally and in live settings.

The urgent need across London is clear. In our home borough of Newham, for example, approximately 60% of the population lives below the poverty line. Our ability to connect important topics from the world around us to local

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audiences through unique, engaging and creative programmes, enables our communities to develop new thinking and new ideas, strengthening resilience and the capacity to respond to global challenges including climate change, automation, and skills shortfall.

We were equally successful in adapting our delivery of existing in-person programmes with schools across Barking, Dagenham, Brent, Barnet, and Harrow. We also worked with LEGO on their company-wide play day which fostered play and creativity for their employees. And of course becoming more digitally focused with our delivery means that our programmes are available to anyone, anywhere.

Total number of unique programmes we ran: 9

Total number of people engaged: 9,307

Total number of which were children: 6,000

Total number who have Special Educational Needs and Disabilities: 1,738

Total number of schools worked with: 31

Charitable Objectives

The charity's objective is to champion opportunities for children and young people of all backgrounds, focused on developing their imaginations, a quality that is vital to creativity and the ability to adapt and thrive in a rapidly changing world.

The Trustees have paid due regard to the public benefit guidance published by the Charity Commission.

Over the next five years, our mission is to ensure that more than 850,000 people will directly encounter our innovative programmes. We will equip and enable young people to be resilient change agents for the future. Our work will be renowned globally. Imagination will be understood as the root of creativity and innovation.

Provision of annual report and basis of preparation

The Trustees, who are directors for the purposes of company law, provide the annual report together with the audited financial statements of the charitable group and company for the year ended 31 December 2020.

The financial statements have been prepared in accordance with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102 second edition - October 2019) (effective 1 January 2019). The Trustees have chosen to take advantage of the small company's exemption from preparing a strategic report.

Structure, governance and management

The Charity is a company limited by guarantee without share capital and is governed by its memorandum and articles of association. The charity owns the entire share capital of IOI Enterprise Limited, the principal activity of which is the delivery of a comprehensive activity programme for the Charity and other parties.

The Trustees who served during the year and at the date of signing, were:

Lady A Shaw-Scott Adjaye

B J Demeroutis

M Dorion

K Grussing

Dr L Guyton

B Kobayashi

R Lewis

(resigned 28 February 2021)

C Metcalfe

M Reilly

D Uehlein

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Trustees' responsibilities statement

N Viner
L Watson (resigned 11 March 2020)

None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

New Trustees are appointed with a view to maintaining an appropriate balance of skills and experience. Appointments of Trustees are reviewed by the Search Committee and ratified by the Board of Trustees. Trustees hold office for a 4-year fixed term and one third of Trustees are considered for reappointment at the annual general meeting. All Trustees receive information about their responsibilities as a part of their induction. Training is provided to existing Trustees as and when the need arises.

The Charity's approach to fundraising is to work with our Trustees and existing supporters to identify new sources of funds and then engage and inspire them with our work. Our focus is on statutory, corporates, trusts and foundations, and major donors as well as generating income from events. We seek to build long-term relationships with our supporters demonstrating a high social return on investment. We do not currently use commercial participators or external fundraisers. We are registered with the Fundraising Regulator and follow applicable law and recognised standards.

The Trustees have paid due regard to the public benefit guidance published by the Charity Commission.

Day to day management responsibilities in 2020 were carried out by the CEO and other key management personnel in the Director group, who are rewarded at rates competitive for the sector.

Levels of delegated authority, from Trustees to management have been detailed in the Financial Policies and Procedures document. Commitment levels have been set as follows:

- Over £100,000 approved by the Board of Trustees
- £25,001 to £100,000 approved by a Trustee who is a member of the Finance Committee
- Over £5,000 to £25,000 approved by the CEO.
- Under £5,000 approved by a Head of Department

The authority limits were reviewed by the Finance Committee and approved by the Trustees.

Upon resignation of the CEO on 31 January 2021, from 1 February 2021, the Directors were appointed as Co-Directors and these assumed the responsibility of the CEO until 25 July. From 26 July 2021, a new CEO assumed responsibility and levels of delegated authority have now been reinstated as above.

Principal risks and mitigations

The Trustees have assessed the major risks to which the Charity is exposed. The principal risks are risks in respect to post-pandemic recovery and the pandemic's long-term effect on both programming and fundraising, reputational damage from a failure in safeguarding or health and safety, and inadequate financial reserves disrupting future plans.

These risks have been mitigated in part by way of a thorough Business Review for 2020-25 being conducted since the pandemic which included specific recommendations for operational policies and financial planning which are now being implemented.

The Business Review has been a catalyst for a change in leadership and also better planning, market research and business development all of which has strengthened the organisation already. As of today, the Trustees are confident about the current guaranteed annual income and potential income. Expenditure is being closely managed and there are clear liquidity forecast and funding targets to meet.

In a lower income scenario, the Trustees have determined that expenditure could be reduced to lower levels without permanent detriment to the organisation's ability to meet its charitable purpose.

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Thanks to our Supporters

Our success and continued development in 2020 were made possible thanks to the generosity of our Imagineers. On behalf of the Trustee and staff at the Institute of Imagination and all those who are impacted by our work, we would like to thank the following for their generous support in 2020:

- Black Heart Foundation
- Charles Skey Charitable Trust
- City Bridge Trust
- Lego Group
- Paul Hamlyn Foundation
- Portal Trust
- The John Lyons Charity
- Walcott Foundation
- Young Londoners Fund
- The Childhood Trust

And all those who made a donation but who wish to remain anonymous.

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Financial review

It is the policy of the Charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure, estimated to be between £200,000 and £400,000 at 31 December 2020. The Trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the Charity's current activities while consideration is given to ways in which additional funds may be raised. At the end of the year, reserves of £262,494 (2019: 409,103) were held including restricted funds of £57,829 (2019: £36,274). This level of reserves is therefore consistent with the policy,

During the year, the principal source of funding was donations. Total income of £741,517 (2019: £632,081) included donations of £664,157 (2019: £483,173) used to fund our programmes and our operating costs.

Expenditure of £888,127 (2019: £1,308,239) consisted of raising funds £138,688 (2019: £281,232), trading expenses £50,771 (2019: £80,752) and charitable activities of £698,668 (2019: £946,255) relating to continuing programme activity.

Investment Policy

On occasions, the charity invests in a portfolio of investment products. The charity will not invest directly in sectors that it deems in conflict with its charitable mandate and objectives, notably arms, pornography, and tobacco. The charity, through investments in fixed income and equity mutual funds, exchange traded funds (ETFs) and/or other investment products, recognises that it may have indirect exposure to some, or all, of these sectors. However, further to consultation with its investment advisers and in the context of the overall holdings of these investment products, the charity is of the view that its exposure to these sectors, to the extent it exists, is very small.

The charity will continually revalue its portfolio and be vigilant against exposure to sectors it deems inappropriate. Once the capital base of the charity allows for it, the Finance & Advancement Committee will consider dedicated Socially Responsible Investing (SRI) products and assess whether these are appropriate for the portfolio in terms of diversification, costs, and risk profile. Long term, it is the ambition of the Institute of Imagination to move closer towards "pure" SRI products.

At the end of 2020, all investments were held in cash.

Going Concern

The Trustees assess whether the use of the going concern basis of preparation is appropriate i.e., whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. After preparing five-year financial plans, as part of the 2020 Strategic Review, and an assessment in September 2021 in respect of the year from the date of approval of the financial statements, the Trustees have a reasonable expectation that the Charity and the Group have adequate resources to continue in operational existence for the foreseeable future and therefore continue to adopt the going concern basis of preparing the annual financial statements.

Disclosure of information to auditor

The Trustees who held office at the date of approval of this Trustees' report confirm that, so far as they are each aware, there is no relevant audit information of which the Charity's auditor is unaware; and each Trustee has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.


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Auditor

Peters Elworthy & Moore have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Trustees
and signed on behalf of the Board of Trustees



B J Demeroutis
Chair of Trustees

Date: 28 September 2021

Institute of Imagination

Trustees' responsibilities statement

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the Trustees of Institute of Imagination

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Institute of Imagination (the parent charity) and its subsidiaries (the group) for the year ended 31 December 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, Charity Balance Sheet, Consolidated Statement of Cash Flows, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 2020 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Group Strategic Report.

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;

- we identified the laws and regulations applicable to the charitable company through discussions with Trustees and other management, and from our charitable knowledge and experience;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Companies Act 2006, Charities Act 2011, taxation legislation and data protection, anti-bribery and employment legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence;
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit; and
- we reviewed the minutes of Trustees' meetings to identify and references to non-compliances with laws and regulations.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- we evaluated the assumptions and judgements used by management within significant accounting estimates and assessed whether these indicated evidence of management bias; and
- performed audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with relevant regulators such as the Charity Commission.


There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's Trustees, as a body, Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Jayne Rowe (Senior statutory auditor)
For and on behalf of
Peters Elworthy & Moore

Chartered Accountants
Statutory Auditor

Salisbury House
Station Road
Cambridge
CB1 2LA

Date: 29 September 2021

Institute of Imagination

Consolidated statement of financial activities, including income and expenditure account For the year ended 31 December 2020

| | Notes | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Total 2020 £ | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Total 2019 £ |
|--|-------|------------------------------------|----------------------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| Income from: | | | | | | | |
| Donations | 3 | 423,347 | 240,810 | 664,157 | 385,849 | 97,324 | 483,173 |
| Other trading activities | 4 | 56,700 | - | 56,700 | 144,814 | - | 144,814 |
| Investment income | | 707 | - | 707 | 4,094 | - | 4,094 |
| Other Income | 5 | 19,954 | - | 19,954 | - | - | - |
| Total income | | 500,708 | 240,810 | 741,518 | 534,757 | 97,324 | 632,081 |
| Expenditure on: | | | | | | | |
| Trading and raising funds | 6 | (189,459) | - | (189,459) | (361,984) | - | (361,984) |
| Charitable activities | 9 | (479,413) | (219,255) | (698,668) | (768,453) | (177,802) | (946,255) |
| Total expenditure | | (668,872) | (219,255) | (888,127) | (1,103,437) | (177,802) | (1,308,239) |
| Net gains on investments | | - | - | - | - | - | - |
| Net (expenditure)/income for the year | | (168,164) | 21,555 | (146,609) | (595,680) | (80,478) | (676,158) |
| Reconciliation of funds: | | | | | | | |
| Total funds brought forward | 19,20 | 372,829 | 36,274 | 409,103 | 968,509 | 116,752 | 1,085,261 |
| Total funds carried forward | | 204,665 | 57,829 | 262,494 | 372,829 | 36,274 | 409,103 |

There were no other recognised gains or losses other than those listed above and net (expenditure)/ income for the year.

All income and expenditure derive from continuing activities.

The notes on pages 19 to 32 form part of these financial statements.

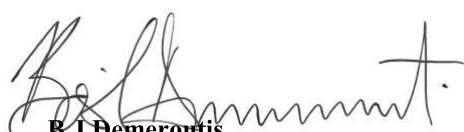
Institute of Imagination

Consolidated Balance sheet As at 31 December 2020

| | Notes | 2020 £ | 2019 £ |
|---|-------|-----------|-----------|
| Fixed assets | | | |
| Tangible assets | 14 | 24,311 | 16,900 |
| Current assets | | | |
| Debtors | 15 | 23,401 | 96,306 |
| Cash at bank and in hand | | 375,025 | 445,546 |
| | | 398,426 | 541,852 |
| Creditors: amounts falling due within one year | 16 | (160,243) | (149,649) |
| Net current assets | | 238,183 | 392,203 |
| Total assets less current liabilities | | 262,494 | 409,103 |
| The funds of the Charity: | | | |
| Restricted funds | 19,20 | 57,829 | 36,274 |
| Unrestricted funds | 19,20 | 204,665 | 372,829 |
| | | 262,494 | 409,103 |

The deficit of the parent charity for the year for Companies Act purposes is £146,757 (2019: £673,440). As permitted by section 408 of the Companies Act, no separate statement of financial activities is presented in respect of the parent charity.

The financial statements of the Institute of Imagination (registration number: 04921852) were approved by the Board of Trustees and authorised for issue on 28 September 2021. They were signed on its behalf by:


B J Demeroutis
Chair of Trustees


The notes on pages 19 to 32 form part of these financial statements.

Institute of Imagination

Charity Balance sheet As at 31 December 2020

| | Notes | 2020 £ | 2019 £ |
|---|-------|---------------------|---------------------|
| Fixed assets | | | |
| Investment in subsidiary | 12 | 10 | 10 |
| Tangible assets | 14 | 16,533 | 5,356 |
| | | <hr/> 16,543 | <hr/> 5,366 |
| Current assets | | | |
| Debtors | 15 | 62,548 | 117,313 |
| Cash at bank and in hand | | 371,555 | 432,323 |
| | | <hr/> 434,103 | <hr/> 549,636 |
| Creditors: amounts falling due within one year | 16 | (138,308) | (95,907) |
| | | <hr/> 295,795 | <hr/> 453,729 |
| Net current assets | | <hr/> 312,338 | <hr/> 459,095 |
| Total assets less current liabilities | | <hr/> <hr/> 312,338 | <hr/> <hr/> 459,095 |
| The funds of the Charity: | | | |
| Restricted funds | 19,20 | 57,829 | 36,274 |
| Unrestricted funds | 19,20 | 254,509 | 422,821 |
| | | <hr/> 312,338 | <hr/> 459,095 |

The financial statements of the Institute of Imagination (registration number: 04921852) were approved by the Board of Trustees and authorised for issue on 28 September 2021. They were signed on its behalf by:


B J Demeroutis
Chair of Trustees

The notes on pages 19 to 32 form part of these financial statements.

Institute of Imagination

Consolidated Cash flow statement For the year ended 31 December 2020

| | Note | 2020 £ | 2019 £ |
|---|-------------|-------------------|-------------------|
| Net cash flows from operating activities | 22 | (54,475) | (692,247) |
| Cash flows from investing activities | | | |
| Investment income | | 707 | 4,094 |
| Purchase of tangible fixed assets | | (16,753) | (2,793) |
| Net cash flows from investing activities | | (16,046) | 1,301 |
| Net increase in cash and cash equivalents in the year | | (70,521) | (690,946) |
| Cash and cash equivalents at the beginning of the year | | 445,546 | 1,136,492 |
| Total cash and cash equivalents at the end of the year | | 375,025 | 445,546 |
| Reconciliation to cash at bank and in hand: | | | |
| Cash at bank and in hand | | 375,025 | 445,546 |
| Cash and cash equivalents | | 375,025 | 445,546 |

The notes on pages 19 to 32 form part of these financial statements.

Institute of Imagination

Notes to the financial statements (continued) For the year ended 31 December 2020

1. Accounting policies

General information and basis of accounting

Institute of Imagination is a Charity incorporated in the United Kingdom and registered in England and Wales under the Companies Act. The address of the registered office is:

F1 Expressway
Dock Road
London
E16 1AH

The nature of the Charity's operations and its principal activities are set out in the Trustees' report on pages 2 to 8.

Basis of preparation

The financial statements are prepared under the historical cost basis of accounting except for investments held at revalued amounts, in accordance with the Statement of Recommended Practice Accounting and Reporting by Charities (SORP 2015) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102 second edition - October 2019) (effective 1 January 2019), and the Companies Act 2006.

The functional currency of the Institute of Imagination is considered to be pounds sterling because that is the currency of the primary economic environment in which the Charity operates.

The Institute of Imagination meets the definition of a public benefit entity under FRS 102.

Basis of consolidation

The financial statements have been prepared in respect of the Charity and its wholly owned subsidiary undertaking IOI Enterprise Limited, a company incorporated and registered in England and Wales. These financial statements have been consolidated on a line by line basis and the results of the subsidiary undertaking are disclosed in note 13. The consolidated entity is referred to as the Group. The Charity has taken advantage of the exemption in section 408 of the Companies Act from disclosing its individual statement of financial activities.

Statement of cash flows

The Charity has taken advantage of the exemption in FRS 102 from preparing a statement of cash flows, on the basis that it is a qualifying entity and the Group statement of cash flows included in these financial statements includes the cash flows of the Charity.

Going concern

After preparing five year financial plans, as part of the 2020 Strategic Review, and an assessment in September 2021 in respect of the year from the date of approval of the financial statements, the Trustees have a reasonable expectation that the Charity and the Group have adequate resources to continue in operational existence for the foreseeable future and therefore continue to adopt the going concern basis of preparing the annual financial statements.

Fund accounting

Unrestricted funds are those which are available for the general purposes of the Charity at the discretion of the Trustees.

Restricted funds are those which have been received for undertaking an activity specified by the donor. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Institute of Imagination

Notes to the financial statements (continued) For the year ended 31 December 2020

Income

Income is recognised in the statement of financial activities when it becomes receivable, and the entitlement, measurement and probable principals are met. Income includes turnover from trading activities transacted by iOi Enterprise Ltd, the principal subsidiary.

Income is deferred only to the extent that it has been received in advance for specific conditions to be met.

Donated services are included at their estimated open market value.

Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of Financial Activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of Financial Activities as the related expenditure is incurred.

Expenditure

All expenses are recognised when an invoice is received. Provisions are included in the statement of financial activities to the extent that goods and services have been contracted for but not yet received.

Raising funds are costs related to the generation of voluntary income for the Charity. Expenditure on charitable activities is any that relates directly to fulfilling the charitable objects of the Charity. Governance costs relate to the direct running of the Charity, allowing the Charity to operate and generate the information required for public accountability.

Staff costs and support costs are analysed and apportioned on the basis of management's estimation of the time spent on each activity.

Investment and bank deposits

Fixed asset investments are stated at market value. Gains and losses arising from either the change in market value or on sale are included in the Statement of Financial Activities including the income and expenditure account. Income from listed investments is accrued when due for payment. In the parent charity balance sheet, investments in subsidiary undertakings are measured at cost less impairment. Interest on deposits is accrued on a daily basis. In the parent charity balance sheet, investments in subsidiary undertakings are measured at cost less impairment.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

| | |
|----------------------------------|-------------------------|
| Computer equipment | 25% straight-line basis |
| Fixtures, fittings and equipment | 25% straight-line basis |
| Library assets | 50% straight-line basis |

Tangible fixed assets are tested only for impairment when an indicator exists. Fixed assets below £1,000 are not capitalised.

Trade debtors and creditors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are recognised at their settlement amount after allowing for any trade discounts due.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve

Institute of Imagination

Notes to the financial statements (continued) For the year ended 31 December 2020

months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Defined pension contribution scheme

The Charity runs a defined contribution pension scheme whereby the amount charged to the statement of financial activities is in respect of the pension contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Taxation

The parent company is a registered charity and has no liability to corporation tax on its charitable activities under the Corporation Tax Act 2010 (chapters 2 and 3 of part II, section 466 onwards) or section 256 of the Taxation for Chargeable Gains Act 1992, to the extent surpluses are applied to its charitable purposes.

Current tax for the subsidiary company, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognized in respect of all timing difference that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference.

Foreign currencies

Monetary assets and liabilities are translated into sterling at the exchange rate ruling on the balance sheet date. Foreign exchange gains are recognised as other income and foreign exchange losses are recognised within the relevant category of charitable activity expenditure for the period in which they are incurred.

Operating leases

Expenditure on operating leases is accounted for on a straight-line basis over the life of a lease.

Financial instruments

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs).

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 1, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Trustees do not consider there to be any critical judgements or sources of estimation uncertainty requiring disclosure beyond the accounting policies listed above.

Institute of Imagination

Notes to the financial statements (continued) For the year ended 31 December 2020

3. Income from donations

| | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Total 2020 £ | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Total 2019 £ |
|----------------------------|------------------------------------|----------------------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| Donations and gifts | 423,347 | 240,810 | 664,157 | 385,849 | 97,324 | 483,173 |
| Donations and gifts | | | | | | |
| Unrestricted funds: | | | | | | |
| Donations | | | 423,347 | | | 280,546 |
| Gift Aid | | | - | | | - |
| Donated services | | | - | | | 105,303 |
| | | | 423,347 | | | 385,849 |

Donations and gifts are derived from targeted fundraising by the organisation. In 2019, donated services were provided pro-bono from Katten Munchin Rosenman UK LLP £27,303 and U+I £78,000. There were no equivalent donated services in 2020.

4. Analysis of income from trading activities

| | 2020 £ | 2019 £ |
|------------------------------|-----------|-----------|
| Public admissions | 223 | 43,453 |
| Retail sales | - | 4,897 |
| Corporate sales | 34,652 | 52,966 |
| School and partnership sales | 10,682 | 40,867 |
| Other trading income | 11,143 | 2,631 |
| | 56,700 | 144,814 |

All income from trading activities in 2020 and 2019 was unrestricted.

5. Other Income

Other operating income £19,954 (2019: £nil) represents government grants receivable under the Coronavirus Job Retention Scheme (CJRS) to cover salaries of furloughed staff. All Other Income was unrestricted.

Institute of Imagination

Notes to the financial statements (continued) For the year ended 31 December 2020

6. Expenditure

| | 2020 £ | 2019 £ |
|----------------------------------|-----------|-----------|
| Trading and raising funds | 189,459 | 361,984 |
| Charitable activities | | |
| Activities undertaken directly | 457,522 | 608,320 |
| Support costs (note 8) | 174,759 | 276,225 |
| Governance costs (note 8) | 66,387 | 61,710 |
| Total | 698,668 | 946,255 |
| | 888,127 | 1,308,239 |

Charitable activities undertaken directly primarily constitute research and development in the Imagination Labs and finding a suitable site to establish a permanent centre.

Cost of raising funds includes salaries and other direct fundraising costs.

| | Cost of raising funds £ | Charitable Activities & Support £ | Governance costs £ | Total 2020 £ | Cost of raising funds £ | Charitable activities & Support £ | Governance costs £ | Total 2019 £ |
|---------------------------|----------------------------------|--|--------------------------|--------------------|----------------------------------|--|--------------------------|--------------------|
| Management and governance | 70,758 | 238,307 | 66,387 | 375,452 | 208,767 | 294,512 | 61,710 | 564,989 |
| Fundraising costs | 102,620 | - | - | 102,620 | 89,716 | - | - | 89,716 |
| Event property costs | - | - | - | - | - | 78,000 | - | 78,000 |
| Marketing and PR | 16,081 | 45,284 | - | 61,365 | 63,501 | - | - | 63,501 |
| Experience and learning | - | 348,690 | - | 348,690 | - | 512,033 | - | 512,033 |
| | 189,459 | 632,281 | 66,387 | 888,127 | 361,984 | 844,545 | 61,710 | 1,308,239 |

7. Auditors' remuneration

| | 2020 £ | 2019 £ |
|--|-----------|-----------|
| Auditor's remuneration: | | |
| - Fees payable to the charity's auditor for the audit of the charity's annual financial statements | 9,000 | 9,000 |
| - Fees payable to the charity's auditor for other services to the group | 860 | 2,518 |

Institute of Imagination

Notes to the financial statements (continued) For the year ended 31 December 2020

8. Analysis of governance and support costs

| | 2020 £ | 2019 £ |
|-------------------------------------|----------------|----------------|
| Administration costs | 22,500 | 30,292 |
| Staff costs | 135,082 | 229,268 |
| IT expenses | 17,177 | 16,665 |
| Total support costs (note 6) | 174,759 | 276,225 |
| Audit and professional legal costs | 66,387 | 61,710 |
| | 241,146 | 337,935 |

Support costs are those which allow charitable activities to be carried out but which do not relate directly to an activity.

Governance costs are those which are attributable to the Charity's compliance with constitutional and statutory requirements, including audit. Governance costs have been allocated to charitable activities as they relate directly to fulfilling the objects of the Charity.

9. Trustees

None of the Trustees (or any persons connected with them) received any remuneration or reimbursed expenses during the year (2019: £nil).

10. Employees

The payroll costs were as follows:

| | 2020 £ | 2019 £ |
|--------------------------|----------------|----------------|
| Group and Charity | | |
| Wages and salaries | 452,862 | 575,240 |
| Social security costs | 42,809 | 55,040 |
| Other pension costs | 12,504 | 15,824 |
| | 508,175 | 646,104 |

The average monthly number of full time and part time employees during the year was:

| | 2020 No. | 2019 No. |
|--------------------------|-------------|-------------|
| Group and Charity | | |
| Management | 4 | 4 |
| Support | 5 | 9 |
| | 9 | 13 |

Institute of Imagination

Notes to the financial statements (continued) For the year ended 31 December 2020

The number of employees whose employee benefits (including redundancy costs but excluding employers pension costs) was £60,000 or more was:

| | 2020 Number | 2019 Number |
|---------------------|----------------|----------------|
| £90,001 to £100,000 | - | 1 |
| £80,001 to £90,000 | 1 | - |
| £60,001 to £70,000 | 2 | 1 |

Key management personnel are defined as the Director Group that includes the former Chief Executive and the Co-Directors, previously Campaign Director and Director of Experience and Learning. The total employment benefits paid to key management personnel (including pension contributions) during the year was £229,393 (2019: £271,010) which included redundancy costs of £ nil (2019: £ nil).

Key management personnel are remunerated at market rate.

11. Tax on profit of trading subsidiary

| | 2020 £ | 2019 £ |
|--|-----------|-----------|
| Analysis of tax charge on current activities | | |
| UK corporation tax at 19% based on profit for the year | - | - |
| Factors affecting tax charge for the year | | |
| The tax assessed for the year is the same as the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below: | | |
| | 2020 £ | 2019 £ |
| (Profit)/Loss before tax | (147) | 2,817 |
| (Profit)/Loss multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%) | (28) | 516 |
| Deferred tax not recognized | 28 | (516) |
| | - | - |

12. Investment in subsidiary

| Charity | Total £ |
|---------------------|------------|
| Cost | |
| At 1 January 2020 | 10 |
| Additions | - |
| At 31 December 2020 | 10 |

The Charity owns the entire issued ordinary share capital of IOI Enterprise Limited. The registered office of the subsidiary is the same as that of the Charity. The principal activity of the company is the delivery of a comprehensive programme of activities for a range of audiences.

Institute of Imagination

Notes to the financial statements (continued) For the year ended 31 December 2020

13. Principal subsidiary

IOI Enterprise Limited

| | |
|-----------------------------|------------------------|
| Subsidiary name | IOI Enterprise Limited |
| Company registration number | 11069407 |
| Basis of control | 100% ownership |

| | |
|---|----------|
| Total assets as at 31 December 2020 | £32,301 |
| Total liabilities as at 31 December 2020 | £82,136 |
| Total deficit as at 31 December 2020 | £49,835 |
| Turnover for the year ended 31 December 2020 | £169,700 |
| Expenditure for the year ended 31 December 2020 | £169,553 |
| Profit for the year ended 31 December 2020 | £147 |

14. Tangible fixed assets

| Group | Library Equipment | Computer equipment | Fixtures, fittings, and equipment | Total |
|---------------------------------|----------------------|-----------------------|---|--------|
| | £ | £ | £ | £ |
| Cost | | | | |
| At 1 January 2020 | - | 39,930 | 27,413 | 67,343 |
| Additions | 14,298 | 2,455 | - | 16,753 |
| At 31 December 2020 | 14,298 | 42,385 | 27,413 | 84,096 |
| Accumulated depreciation | | | | |
| At 1 January 2020 | - | 25,907 | 24,536 | 50,443 |
| Charge for the year | 1,583 | 4,882 | 2,877 | 9,342 |
| At 31 December 2020 | 1,583 | 30,789 | 27,413 | 59,785 |
| Net book value | | | | |
| At 31 December 2020 | 12,715 | 11,596 | - | 24,311 |
| At 31 December 2019 | - | 14,023 | 2,877 | 16,900 |

Institute of Imagination

Notes to the financial statements (continued) For the year ended 31 December 2020

14. Tangible fixed assets (continued)

| Charity | Library Equipment | Computer equipment | Fixtures, fittings, and equipment | Total |
|---------------------------------|----------------------|-----------------------|---|--------|
| | £ | £ | £ | £ |
| Cost | | | | |
| At 1 January 2020 | - | 23,595 | 27,413 | 51,008 |
| Additions | 14,298 | 2,205 | - | 16,503 |
| At 31 December 2020 | 14,298 | 25,800 | 27,413 | 67,511 |
| Accumulated depreciation | | | | |
| At 1 January 2020 | | 21,116 | 24,536 | 45,652 |
| Charge for the year | 1,583 | 866 | 2,877 | 5,326 |
| At 31 December 2020 | 1,583 | 21,982 | 27,413 | 50,978 |
| Net book value | | | | |
| At 31 December 2020 | 12,715 | 3,818 | - | 16,533 |
| At 31 December 2019 | - | 2,479 | 2,877 | 5,356 |

15. Debtors

| | Group | | Charity | |
|--|--------|--------|---------|---------|
| | 2020 | 2019 | 2020 | 2019 |
| | £ | £ | £ | £ |
| Debtors after more than one year | | | | |
| Amounts owed from subsidiary undertaking | - | - | 45,792 | 43,377 |
| Debtors within one year | | | | |
| Trade debtors | - | 76,104 | - | - |
| Other debtors | 18,022 | 14,289 | 11,372 | 14,259 |
| Prepayments and accrued income | 5,379 | 5,913 | 5,384 | 4,403 |
| Amounts owed from subsidiary undertaking | - | - | - | 55,274 |
| | 23,401 | 96,306 | 62,548 | 117,313 |

Institute of Imagination

Notes to the financial statements (continued) For the year ended 31 December 2020

16. Creditors: amounts falling due within one year

| | Group | | Charity | |
|--|----------------|----------------|----------------|---------------|
| | 2020 | 2019 | 2020 | 2019 |
| | £ | £ | £ | £ |
| Trade creditors | 80,170 | 56,489 | 79,588 | 53,207 |
| Taxes and social security costs | 10,693 | 17,206 | 10,693 | 17,206 |
| Other creditors | 1,942 | 8,632 | 1,179 | 8,172 |
| Accruals | 67,438 | 67,322 | 32,438 | 17,322 |
| Amounts owed to subsidiary undertaking | - | - | 14,410 | - |
| | <u>160,243</u> | <u>149,649</u> | <u>138,308</u> | <u>95,907</u> |
| | Group | | Charity | |
| | 2020 | 2019 | 2020 | 2019 |
| | £ | £ | £ | £ |
| Deferred income at 1 Jan 2020 | 15,000 | - | - | - |
| Resources deferred during the year | - | 15,000 | - | - |
| Amounts released from previous periods | (15,000) | - | - | - |
| | <u>-</u> | <u>15,000</u> | <u>-</u> | <u>-</u> |

17. Called-up share capital

The Charity is limited by guarantee without share capital.

18. Commitments under operating leases and other commitments

As at 31 December 2020, the Company was committed to payments of £36,219 (2019: £8,756) under a license agreement for premises. Neither the Group nor the Charity has any future lease payments under non-cancellable operating leases at 31 December 2020.

In 2020 and 2019, all amounts were payable in less than one year.

Institute of Imagination

Notes to the financial statements (continued) For the year ended 31 December 2020

19. Analysis of charitable funds – Current year

| | Balance at 1 January 2020 £ | Income £ | Expenditure £ | Balance at 31 December 2020 £ |
|---|--------------------------------------|----------------|------------------|--|
| Unrestricted Funds | | | | |
| Institute of Imagination | 422,811 | 444,008 | (612,319) | 254,500 |
| IOI Enterprise Limited | (49,982) | 56,700 | (56,553) | (49,835) |
| | <u>372,829</u> | <u>500,708</u> | <u>(668,872)</u> | <u>204,665</u> |
| Restricted funds | | | | |
| Lambeth Community Programme | 16,361 | 32,447 | (32,089) | 16,719 |
| Outreach Programme | 19,913 | 54,867 | (66,310) | 8,470 |
| Local Government funded programmes | - | 61,832 | (60,447) | 1,385 |
| Community Programme responding to COVID | - | 91,664 | (60,409) | 31,255 |
| | <u>36,274</u> | <u>240,810</u> | <u>(219,255)</u> | <u>57,829</u> |
| | <u>409,103</u> | <u>741,518</u> | <u>(888,127)</u> | <u>262,494</u> |

Restricted fund income of £240,810 (2019: £97,324) relates to donations for the following activities:

- Lambeth Community Programme fund supports activities directed towards local Lambeth residents.
- The Outreach Programme fund supports other community-based activities throughout London.
- Local Government funded programmes are supported by grants provided by local authorities and other government bodies.
- The Community Programme responding to COVID supports home programming.

Unrestricted funds are those which are available for the general purposes of the Charity at the discretion of the Trustees.

Institute of Imagination

Notes to the financial statements (continued) For the year ended 31 December 2020

Analysis of charitable funds – Prior year

| | Balance at 1 January 2019 £ | Income £ | Expenditure £ | Balance at 31 December 2019 £ |
|------------------------------|--------------------------------------|----------------|--------------------|--|
| Unrestricted Funds | | | | |
| Institute of Imagination | 1,014,406 | 389,943 | (981,538) | 422,811 |
| IOI Enterprise Limited | (45,897) | 144,814 | (148,899) | (49,982) |
| | <u>968,509</u> | <u>534,757</u> | <u>(1,130,437)</u> | <u>372,829</u> |
| Restricted funds | | | | |
| Cultural Residency | 34,830 | - | (34,830) | - |
| Lambeth Community Programmes | 37,576 | 53,854 | (75,069) | 16,361 |
| Outreach Programme | 44,346 | 43,470 | (67,903) | 19,913 |
| | <u>116,752</u> | <u>97,324</u> | <u>(177,802)</u> | <u>36,274</u> |
| | <u>1,085,261</u> | <u>632,081</u> | <u>(1,308,239)</u> | <u>409,103</u> |

20. Analysis of net assets between funds – Current year

| | Unrestricted funds £ | Restricted funds £ | Total £ |
|--|----------------------------|--------------------------|----------------|
| Group | | | |
| Fund balances at 31 December 2020: | | | |
| Investments | - | - | - |
| Tangible assets | 13,174 | 11,137 | 24,311 |
| Current assets | 351,734 | 46,692 | 398,426 |
| Creditors: amounts falling due within one year | (160,243) | - | (160,243) |
| | <u>204,665</u> | <u>57,829</u> | <u>262,494</u> |
| Charity | | | |
| Fund balances at 31 December 2020: | | | |
| Investments | 10 | - | 10 |
| Tangible assets | 5,396 | 11,137 | 16,533 |
| Current assets | 387,411 | 46,692 | 434,103 |
| Creditors: amounts falling due within one year | (138,308) | - | (138,308) |
| | <u>254,509</u> | <u>57,829</u> | <u>312,338</u> |

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Notes to the financial statements (continued) For the year ended 31 December 2020

Analysis of net assets between funds – Prior year

| | Unrestricted funds £ | Restricted funds £ | Total £ |
|--|----------------------------|--------------------------|----------------|
| Group | | | |
| Fund balances at 31 December 2019: | | | |
| Investments | - | - | - |
| Tangible assets | 11,544 | 5,356 | 16,900 |
| Current assets | 510,934 | 30,918 | 541,852 |
| Creditors: amounts falling due within one year | (149,649) | - | (149,649) |
| | <u>372,829</u> | <u>36,274</u> | <u>409,103</u> |
| Charity | | | |
| Fund balances at 31 December 2019: | | | |
| Investments | 10 | - | 10 |
| Tangible assets | - | 5,356 | 5,356 |
| Current assets | 518,718 | 30,918 | 549,636 |
| Creditors: amounts falling due within one year | (95,907) | - | (95,907) |
| | <u>422,821</u> | <u>36,274</u> | <u>459,095</u> |

21. Related party transactions

During the year, IOI Enterprise Ltd charged the Institute of Imagination £113,000 (2019: £364,501) for services relating to programmes.

Institute of Imagination charged IOI Enterprise Ltd £88,623 (2019: £256,721) for management, premises and human resources. The trading balance owed by the parent at the year end was £14,410 (2019: owed to the parent £55,274).

At the end of the year a balance of £45,792 was outstanding to Institute of Imagination relating to a loan of £42,000 and accrued interest. The loan accrued interest in the year at a rate of Bank of England base rate plus 5% (2019: Bank of England base rate plus 5%).

In 2020, a donation received from Black Heart Foundation, a party related to a Trustee, amounted to £40,000 and a donation from John Lyons Charity, a party with a mutual Trustee, amounted to £25,900.

No donations were received from Trustees during the year.

Institute of Imagination

Notes to the financial statements (continued) For the year ended 31 December 2020

22. Reconciliation of net (expenditure)/income to cash generated by operating activities

| | Group 2020 £ | Group 2019 £ |
|--|--------------------|--------------------|
| Net income/(expenditure) per statement of financial activities | (146,609) | (676,158) |
| Add back depreciation charge | 9,342 | 11,352 |
| Deduct investment income | (707) | (4,094) |
| (Increase)/decrease in debtors | 72,905 | (41,724) |
| Increase/(decrease) in creditors | 10,594 | 18,377 |
| Cash consumed by operating activities | (54,475) | (692,247) |

23. Analysis of cash and cash equivalents

| | Group 2020 £ | Group 2019 £ |
|------------------------------------|--------------------|--------------------|
| Cash in hand | 273,181 | 26,472 |
| Notice Deposits (3 months or more) | 101,844 | 419,074 |
| | 375,025 | 445,546 |

Analysis of changes in net debt

| | At 1 Jan 2020 | Cash Flows | At 31 Dec 2020 |
|--------------------------|---------------|------------|----------------|
| Cash at bank and in hand | 445,546 | (70,521) | 375,025 |

24. Defined contribution pension scheme

The Charity operates defined contribution retirement benefit schemes for all qualifying employees. The total expense charged to the statement of financial activities in the year ended 31 December 2020 was £12,504 (2019: £15,824). There were no contributions outstanding at the balance sheet date (2019: £6,239).